



PAT MCCRORY
Governor

DONALD R. VAN DER VAART
Secretary

LINDA CULPEPPER
Director

February 11, 2016

Sent via USPS and email

Mr. Jonathan Nance
Grubb Management, Inc.
4601 Park Road, Ste. 450
Charlotte, NC 28209
jnance@grubbproperties.com

Subject: Letter of Eligibility
500 W 5th Street & 601 W 4th Street
Winston-Salem, Forsyth County
Brownfields Project Number: 20008-16-34

Dear Mr. Nance:

The North Carolina Department of Environmental Quality (DEQ) has received and reviewed your January 21, 2016 Brownfields Property Application (BPA) submitted by William W. Toole of Robinson, Bradshaw and Hinson, PA on behalf of Grubb Management, Inc. as a Prospective Developer seeking a brownfields agreement regarding the subject site. Upon review of the BPA with respect to the requirements of the Brownfields Property Reuse Act of 1997, DEQ has determined that this project is eligible for entry into the North Carolina Brownfields Program (NCBP) and for continued evaluation for a Brownfields Agreement (BFA).

The next step in the BFA process will involve a detailed review of available environmental and other relevant data to determine what is currently known about contamination at the site, and what, if any, information gaps may exist that may require additional assessment. We are in receipt of the following documents submitted with your BPA:

Title	Prepared By	Date of Report
Phase I Environmental Site Assessment Report, North Tower	Partner Engineering NC, PLLC	January 8, 2014
Phase II Subsurface Investigation, 500 W 5 th St	Partner Engineering NC, PLLC	March 4, 2015
Phase I Environmental Site Assessment Report, 601 W 4 th St	Partner Engineering NC, PLLC	July 9, 2015

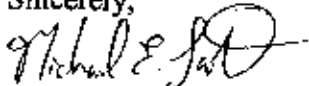
If available, historical site information from the files of DEQ's Division of Waste Management will also be utilized during the evaluation process. Please forward any additional information or data you may have or can acquire for our evaluation. Based on a review of these documents that were submitted with your application, it appears that there are multiple documents related to onsite environmental investigations that were not provided with the application. We will contact you regarding any additional assessment that may be necessary to establish that the property is or can be made suitable for the intended reuse, as required by statute.

According to the BPA, the intended redevelopment for the site is high-density residential, mixed commercial, and retail use. We understand that there is an existing Notice of Residual Petroleum (NORP) issued by DEQ UST Section for this property that prohibits residential use. Because risk management decisions may vary depending on the nature of the redevelopment, it will be important that DEQ review the locations of the various elements. Please forward any maps or drawings indicating these details, even if they are only preliminary or conceptual.

Please note: pending execution of a final BFA, NCBP eligibility is provisional. The protections a BFA offers the Prospective Developer are *not in effect*, unless and until, the BFA is executed. If you occupy the property or operate or conduct activities at the site that result in a release of regulated substances before a BFA has been finalized for the property, you may be considered to have caused or contributed to contamination at the property. Because an entity that could be considered to have caused or contributed to contamination at the property cannot be a Prospective Developer under the Act, your eligibility for participation in the NCBP would be placed in jeopardy. Consult closely with your Project Manager regarding any planned site activities prior to agreement finalization. You are cautioned to conduct all such operations and activities at the site with great care not to cause a release of regulated substances at the property that could jeopardize your eligibility for participation in the NCBP.

If a party other than Grubb Management, Inc. will own the Brownfields Property at the conclusion of the brownfields process, the final document (which would be recorded at the register of deeds' office) must be signed not only by Prospective Developer, but by that owner. Failure by the Prospective Developer to ensure, by the time the BFA negotiations are complete, the willingness to sign of any such party, and to provide DEQ the exact name, email address, telephone number, and US mail address of the party (along with the signatory/signatory's title in the case of an entity) will delay, and could prevent, the BFA taking effect. We are enthusiastic about the potential for public benefit offered by the reuse of the 500 W 5th Street site, and look forward to working with you to advance this brownfields redevelopment project. If you have questions about this correspondence or require additional information, please feel free to contact the project manager Sharon Eckard by phone at 919-707-8379, or by e-mail at sharon.eckard@ncdenr.gov.

Sincerely,



Michael E. Scott, Deputy Director
Division of Waste Management

cc: Central Filing, DEQ
Bruce Nicholson, DEQ
Sharon Eckard, DEQ
William W. Toole, Robinson, Bradshaw & Hinson